



**CITY OF SOUTH PASADENA
PLANNING COMMISSION
SPECIAL MEETING AGENDA**

Wednesday, May 26, 2021 at 6:30 p.m.

South Pasadena Planning Commission Statement of Civility

As your appointed governing board we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made tonight will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the special meetings of the Planning Commission will be conducted remotely and held by video conference. The meeting will be broadcast live on the City's Planning Commission website and can be viewed by [clicking here](#).

Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chambers will not be open for the meeting. Commission members will be participating remotely and will not be physically present in the Council Chambers.

The Planning Commission welcomes public input. If you would like to comment on an agenda item, members of the public may submit their comments in writing for the Planning Commission consideration, by emailing comments or questions to PlanningComments@southpasadenaca.gov or by calling (626) 403-7720 and leaving a **3-minute** voicemail message to be played during the meeting. Public comments must be received by **12:00 p.m. on Wednesday, May 26, 2021** to ensure adequate time to compile and post. Please provide: 1) your name; and 2) agenda item for the comments/questions. All comments/questions received will be distributed to the Commission for consideration and will also be posted on the City's website prior to the meeting.

CALL TO ORDER:

Chair John Lesak

ROLL CALL:

Amitabh Barthakur, Commissioner, Janet Braun,
Commissioner, Laura Dahl, Commissioner, Lisa Padilla,
Vice-Chair and, John Lesak Chair

COUNCIL LIAISON:

Diana Mahmud, Mayor, Council Liaison

STAFF PRESENT:

Teresa L. Highsmith, City Attorney
Joanna Hankamer, Planning & Community Dev. Director
Kanika Kith, Planning Manager
Marina Khrustaleva, Interim Associate Planner

APPROVAL OF AGENDA

Majority vote of the Commission to proceed with Commission business.

DISCLOSURE OF SITE VISITS AND EX-PARTE CONTACTS

Disclosure by Commissioners of site visits and ex-parte contact for items on the agenda.

PUBLIC COMMENTS AND SUGGESTIONS

(Time limit is three minutes per person)

If you wish to address the Planning Commission on items not on the agenda and within the subject-matter jurisdiction of the Planning Commission, members of the public may submit their comments in writing to PlanningComments@southpasadenaca.gov or by calling (626) 403-7720 and leaving a 3-minute voicemail message to be played during the meeting. Public comments must be received **by 12:00 p.m. on Wednesday, May 26, 2021** to ensure adequate time to compile and post. Please make sure to indicate: 1) your name; and 2) stating it is for general public comments/suggestions.

The public should be aware that the Planning Commission may not discuss details or vote on non-agenda items. Your concerns may be referred to staff or placed on a future agenda.

PUBLIC HEARING

1. **Study Session: Progress on the 2021-2029 Housing Element and General Plan/ Downtown Specific Plan Update**

Recommendation:

ADMINISTRATION

2. **Comments from City Council Liaison**
3. **Comments from Planning Commissioners**
4. **Comments from Staff**

ADJOURNMENT

5. Adjourn to the Regular Planning Commission meeting scheduled for June 8, 2021.

PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS

Planning Commission meeting agenda packets are available online at the City website: <https://www.southpasadenaca.gov/government/boards-commissions/test-planning-commission-agendas-minutes-copy>

Agenda related documents provided to the Planning Commission are available for public review on the City’s website. Additional documents, when presented to Planning Commission, will also be uploaded and available on the City’s website. The meeting will be broadcast live on the City’s website via Zoom, and a recording of the meeting will be available on the website within 48 hours of adjournment.

AGENDA NOTIFICATION SUBSCRIPTION

Individuals can be placed on an email notification list to receive forthcoming agendas by emailing CityClerk@southpasadenaca.gov or calling the City Clerk’s Division at (626) 403-7230.

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City’s website as required by law.

5/20/21
Date

Elaine Serrano,
Administrative Secretary



Planning Commission Agenda Report

ITEM NO. _____

DATE: May 26, 2021

FROM: Joanna Hankamer, Director of Planning and Community Development
Margaret Lin, Manager of Long Range Planning and Economic Development
Elizabeth Bar-El, Interim Long Range Planning Principal Management Analyst

SUBJECT: Study Session: Progress on the 2021-2029 Housing Element and General Plan/Downtown Specific Plan Update

Recommendation

It is recommended that the Commission discuss and provide direction regarding the next steps for the 2021-2029 Housing Element and General Plan/Downtown Specific Plan (GP/DTSP) Update, including preparation of the Program Environmental Impact Report, beginning with the questions listed at the end of this staff report.

Executive Summary

This study session is being held to update the Commission and public, and to receive direction as the 2021-2029 Housing Element and General Plan, Downtown Specific Plan (GP/DTSP) move forward toward further development with public review and adoption hearings during the next seven to ten months. This report provides a summary review of the planning process since the GP/DTSP was initiated in 2016 and the 2021-2029 Housing Element was initiated in 2020, and provides information about the current direction staff is considering for all three documents.

The GP/DTSP provides the vision for the future of the City and are regulatory documents that include goals, policies, and actions to achieve that vision. The 2021-2029 Housing Element is another tool to implement the community's vision and is required by the State to plan for the housing units allocated to the City through the Regional Housing Needs Assessment (RHNA). The General Plan, Downtown Specific Plan, and Housing Element are required by State law to be consistent with one another. In order to ensure internal consistency between all three documents, the November 2019 draft GP/DTSP documents were put on a temporary hold in order to incorporate the programs and policies from the 2021-2029 Housing Element. These three planning documents will incorporate 2,067 new housing units and analyze the feasibility of accommodating a maximum of 130,000 square feet of retail and 300,000 square feet of office building in specific corridors, districts, and neighborhood centers. The unexpectedly high increase in housing units in the RHNA allocation will necessitate new housing strategies and significant changes to development standards in some areas of the city, with a focus on mixed-use development.

Staff and consultants, PlaceWorks, have proposed strategies that includes rezoning and strengthened housing programs in the 2021-2029 Housing Element, which is discussed in this report. These strategies incorporate long-standing City Council priorities such as the recently adopted inclusionary housing ordinance and amendments to the zoning regulations for accessory dwelling units (ADUs). While not yet organized into a draft housing element, the strategies have been preliminarily reviewed by the State Department of Housing and Community Development (HCD), as discussed in this report.

In order to integrate the 2021-2029 Housing Element with the GP/DTSP, the Program Environmental Impact Report (PEIR) for the GP/DTSP has been expanded to include all three documents in order to analyze the impacts associated with accommodating 2,067 new housing units. The Notice of Preparation (NOP) was recirculated from April 23 to May 24, 2021, and the City's consultants for the PEIR, Psomas, will be available at the Study Session to answer questions about the PEIR preparation process. The public circulation of the PEIR will coincide with the release and review of the draft Housing Element and updated GP/DTSP, and after integration of public feedback, ultimately the Planning Commission will make a recommendation to the City Council for adoption of the Housing Element in the last few months of 2021, followed by adoption of the GP/DTSP in early 2022.

Background

General Plan/Downtown Specific Plan Draft Documents

On November 16, 2016, the City Council approved a contract with Rangwala to update the City's GP/DTSP. The scope of work included a 22-month process for planning and coordination, civic engagement, public outreach, charrettes, draft and final GP/DTSP and subcontracting with Psomas for the PEIR. On May 16, 2018, the City Council approved a contract amendment with Rangwala for seven additional outreach events and an extension to the public review period for the Draft PEIR from 45 days to 60 days.

After an extensive public engagement process that began in the spring of 2017, development and progress on the plans were delayed due to the retirement of the Planning Director and other staff changes in 2018. Upon resuming the project under an Interim Planning Director, City staff identified areas that needed further refinement and had been working with the consultant team to address new state and local initiatives regarding affordable housing and homelessness. However, following negotiations with the team to deliver additional scope of work, Rangwala submitted a notice of termination on April 3, 2019. In order to proceed with the project, on April 17, 2019, the City Council authorized PlaceWorks and Psomas to complete the GP/DTSP and PEIR. Prioritized with completing the GP/DTSP, the new and current Planning Director worked with staff and PlaceWorks in November 2019 to conduct additional public outreach meetings and release the second administrative draft of the GP/DTSP to the public, including a table of all revisions made from the first administrative draft. As explained in more detail below, SCAG's RHNA was in development during this time, and estimates for South Pasadena's RHNA ranged from approximately 1,200 to over 2,000 units. Subsequently, on March 4, 2020, following a request for proposals (RFP), the City Council authorized PlaceWorks to expand the GP/DTSP and PEIR timelines and authorized a separate contract with PlaceWorks to simultaneously develop the Housing Element to be coordinated with the GP/DTSP in order to accommodate the

City's high RHNA. Upon finalization of SCAG's RHNA allocations on March 3, 2021, South Pasadena's final RHNA is 2,067 for the 6th cycle (2021-2029), compared to 63 for the 5th cycle (2014-2021), or a 3,180% increase.

Early Draft GP/DTSP

At the outset of the GP/DTSP process in 2017, the City conducted an extensive public participation process to develop the vision and underlying principles for the GP/DTSP. An Advisory Committee comprised of councilmembers, commissioners, and department heads was created to help guide the project. In addition, six Focus Groups comprised of staff, civic leaders, and volunteers were created to provide insight and support policy development. A variety of strategies were used to engage stakeholders in the planning process, including surveys, interviews, and workshops. Based on the public input the following vision statement for the initial draft plans was created:

- Preserving the distinctive stable residential neighborhoods; and
- Directing new growth to Downtown corridors, Ostrich Farm, and neighborhood centers.

In addition, the following principles were developed to help guide the implementation of that vision:

- Live in balance with our natural environment. Preserve the natural areas and increase quantity and access to open space.
- Attract and retain high value, high-wage jobs within the creative sector, diversify the local economy, promote and support local businesses, increase the local tax base to help fund vital public services.
- Direct new growth to the downtown area along Mission Street and Fair Oaks Avenue while protecting the stable residential areas from runaway growth. Develop clear and precise standards that offer predictable outcomes and processes. Encourage pedestrian-oriented mixed-use development, while providing new and enhancing existing public space and gathering places.
- Provide safe access for all street users -- pedestrians, cyclists, public transit users, and motorists -- of all ages and abilities. Support an integrated multi-modal network and efficiently manage parking to support wider community goals.
- Increase individual, institutional, and business capacity to survive, adapt to any chronic stress or acute shocks and be able to recover and thrive.
- Create environments that encourage safe and healthy lifestyles and maximize opportunities for physical activity. Well-designed public and semi-public realm foster social interaction, and good programming can draw people out of their homes and into the community.
- Add to and enhance our parks and open spaces to provide enriching recreational opportunities.
- Become a vibrant cultural center by weaving creative expressions into everyday life.

Based on the above guiding principles, the 2017 draft GP/DTSP forecasted the following development patterns:

| | New Residential Capacity (units) | New Non-Residential Capacity | |
|--------------------------------------|----------------------------------|------------------------------|------------------|
| | | Retail (sq. ft.) | Office (sq. ft.) |
| Corridors (DTSP) | | | |
| Mission Street and Fair Oaks Avenue | 300 | 100,000 | 125,000 |
| Districts | | | |
| Ostrich Farm | 75 | 5,000 | 100,000 |
| Neighborhood Centers | | | |
| Huntington Drive/Garfield Avenue | 75 | 10,000 | 50,000 |
| Huntington Drive/Fremont Avenue | 50 | 10,000 | 25,000 |
| Huntington Drive/Fletcher Avenue | | 5,000 | 0 |
| Total | 500 | 130,000 | 300,000 |
| <i>Current General Plan Capacity</i> | <i>589</i> | | <i>430,000</i> |

In November 2019, following a series of community meetings, PlaceWorks released the second administrative draft plans for public review. Comments from the public review period will be addressed in an updated draft GP/DTSP to be released in July or August 2021.

From January through July 2020, staff and PlaceWorks conducted a series of four (4) workshops, and staff held six (6) Planning Commission study sessions, focusing on consequential components of the draft GP/DTSP plans with in-depth discussions regarding: permitted land uses, development standards/form-based code (building heights, setbacks), floor-area-ratio and density, parking, landscape, and sign requirements, as outlined in the draft plans and proposed for possible revision by PlaceWorks (see Attachment 2). The workshop series and Planning Commission meetings are archived on the GP/DTSP project page:

(<https://www.southpasadenaca.gov/government/departments/planning-and-building/general-plan-downtown-specific-plan-update>).

How the RHNA Changed the GP/DTSP Planning Process

In 2019, as the City was developing the General Plan and DTSP, the Southern California Association of Governments (SCAG), the state-required metropolitan planning agency for the Southern California region, was preparing its methodology for the 2021-2029 Regional Housing Needs Assessment (RHNA). The methodology incorporated the population forecasting and planning principles in SCAG's Connect SoCal growth forecast for the years 2020-2030, which focuses on connecting housing with the growing regional rail transit system. SCAG staff's proposed methodology was reviewed through a series of SCAG RHNA Sub-committee hearings during the summer of 2019. The development of the methodology culminated with modifications to the SCAG staff-recommended draft methodology for calculating existing housing need to more closely align the methodology with job and transit accessibility factors. The SCAG Regional Council approved the draft methodology on November 7, 2019. On January 13, 2020, HCD completed its review of the draft methodology and found that it furthers the five statutory objectives of RHNA. On March 4, 2020, SCAG's Regional Council voted to approve the Final RHNA Methodology.

RHNA allocations to all jurisdictions, including South Pasadena, are based on this methodology used to regionally apportion among local jurisdictions an overall number of units determined by the State Department of Housing and Community Development (HCD). Following along with development of the RHNA methodology, SCAG staff prepared a proposed RHNA number of housing units representing regional housing need. Based on its population forecast, SCAG determined the housing need for the entire SCAG region to be within a range of 823,808 - 920,772 new housing units. In fall 2019, the City anticipated a RHNA of about 1,200 units. However, HCD subsequently announced its intention to impose much higher RHNA allocations across the state, including the SCAG region. HCD rejected SCAG's proposed RHNA, determining in August 2019 that the region would instead need to allocate 1,344,740 units. On September 5, 2019, the SCAG Regional Council authorized its staff to file an objection to this determination, which it did on September 18, 2019. HCD's final determination in October 2019 adjusted the final number to 1,341,871.

For South Pasadena, the State-regional RHNA struggle created uncertainty for the assumptions behind the General Plan and DTSP drafts, which had been extensively developed by that time as described above. At the time the GP and DTSP drafts were released for public comment in November 2019, as discussed above, the target residential capacity in the draft GP/DTSP planning documents was significantly lower than the RHNA that SCAG was estimating for South Pasadena, even based on SCAG's original growth forecast.

Once the State issued its final ruling on the RHNA, SCAG used its methodology to develop new RHNA allocations for all jurisdictions based on this much higher number, holding a series of public hearings and releasing a draft RHNA on September 3, 2020. Accordingly, South Pasadena was provisionally allocated 2,062 units.

On October 26, 2020, the City submitted a comprehensive appeal of the RHNA allocation to request a more feasible and sustainable amount of housing units. The appeal was developed in collaboration with the City's RHNA Appeal Ad Hoc Committee comprised of a representative group of informed citizens interested in preserving the City's quality of life while accommodating anticipated growth. The City's appeal was based on strong evidence that the number was not realistic given certain characteristics of significant historic resources, local geography, limited school, water and sewer capacity, and existing development patterns. However, the appeal was rejected, along with the vast majority of appeals filed. Two out of approximately 50 appeals were approved, resulting in some reallocation of units to other jurisdictions, and through that process five *additional* units were allocated to South Pasadena, with a final RHNA allocation in SCAG's final approval of the RHNA on March 3, 2021 of 2,067, with an affordability breakdown of such allocation of 1,489 affordable units and 578 above-moderate).

In summary, South Pasadena's unanticipated high RHNA allocation has necessitated new strategies that are shaping key programs being developed for the draft Housing Element that are now being incorporated into the draft General Plan and DTSP. This, in turn, has also affected the scope and schedule of the PEIR.

Program Environmental Impact Report

The PEIR analyzes potential significant environmental effects associated with a project, and identifies ways to avoid or reduce environmental impacts. Psomas served as a subcontractor for Rangwala at the beginning of the GP/DTSP process and produced a Notice of Preparation (NOP) for the PEIR. During the transition between consultants Rangwala and PlaceWorks, the City contracted directly with Psomas to complete their work on the PEIR. The contract with Psomas was amended on March 4, 2020 to increase the scope, incorporating the 2021-2029 Housing Element and analyzing the additional housing units that would need to be included in the GP/DTSP Update.

Since the last General Plan update, the state changed the manner in which transportation issues are analyzed from Levels of Service (LOS) under CEQA to “Vehicle Miles Traveled” (VMT). In order to meet state mandates to establish and evaluate this threshold, Iteris was brought on as a sub-consultant to Psomas, and on May 20, 2020, the City Council adopted a resolution establishing a VMT threshold as a new metric for CEQA transportation analysis. VMT analysis evaluates impacts from greenhouse gas emissions and replaces the LOS analysis that evaluated roadway capacity impacts. While VMT replaced LOS for environmental analysis purposes, the Public Works Department will continue to require LOS analysis to inform its decisions on transportation infrastructure projects.

Discussion/Analysis

The Council and Planning Commission have expressed that the GP/DTSP and 2021-2029 Housing Element are critical planning efforts for completing this year, particularly in light of the looming deadline for the housing element’s adoption. The following summarizes the current stages of development of the planning documents and the PEIR.

Potential Changes to the Draft General Plan/Downtown Specific Plans

Beginning in summer 2020, the Planning Commission’s discussions began to focus on housing policies and potential density and height changes in the GP/DTSP in order to accommodate the 6th Cycle of RHNA. From May through September 2020, staff and PlaceWorks conducted a series of four (4) Housing Element workshops, and from July 2020 through March 2021 staff held ten (10) Planning Commission study sessions or updates on the Housing Element, RHNA or related housing policies such as ADUs, tenant protections, and inclusionary housing. The public workshops regarding the 2021-2029 Housing Element are accessible by visiting the project page (<https://www.southpasadenaca.gov/government/departments/planning-and-building/housing-element-update-2021-2029>), and the and Planning Commission meetings can be reviewed by visiting the Planning Commission webpage at <https://www.southpasadenaca.gov/government/boards-commissions/planning-commission/test-planning-commission-agendas-minutes-copy>.

Dwelling Units per Acre and Height Limits

The 2017 and 2019 draft DTSP documents had included a density of up to 30 dwelling units per acre (du/ac) in both the Mission Street and Fair Oaks Avenue Zones; with a maximum building

height of 25 and 35 feet respectively (with height bonuses up to 45 feet). On May 12, 2020, during one of the GP/DTSP study sessions, the Planning Commission discussed that 30 du/ac may not be the right-size for the 3- and 4-story maximums proposed on Mission Street and Fair Oaks Avenue, and that 50 du/ac would be more appropriate for the downtown area as demonstrated by the Mission Bell Project approved in 2020 with a density of 50 du/ac.

Following the Housing Element Kickoff Workshops on May 28 and June 2, 2020, there was a series of public discussions of whether additional building height, beyond the voter initiative-mandated 45-foot maximum, would be required to accommodate the City’s increased RHNA mandate. Alternatives strategies for accommodating affordable housing included rezoning open space, facilitating ADU production, and upzoning in low density neighborhoods, for example, were also discussed in the workshops. On July 21 and August 11, 2020, Planning Commission discussed staff’s recommendation for considering a ballot initiative to raise the height and density on several selected housing opportunity sites within the city, but the Planning Commission did not feel that there was adequate information to recommend taking this step at that time. Staff and PlaceWorks provided a presentation identifying potential height increases for 4 districts with 6 specific sites and the projected number of units that could be accommodated with the proposed increase in density and height:

| Site | Baseline Density (du/ac) | Baseline Height (ft) | Baseline Units | Proposed Density (du/ac) | Proposed Height (ft) | Proposed Units |
|----------------------------|--------------------------|----------------------|----------------|--------------------------|----------------------|----------------|
| Gold Line Storage | 50 | 45 | 90 | 60 | 52 | 109 |
| Mission near Meridian | 50 | 45 | 42 | 60 | 52 | 50 |
| Vons Site | 50 | 45 | 157 | 65 | 52 | 257 |
| Ralphs Site | 30 | 45 | 15 | 50 | 52 | 156 |
| Ostrich Farm - Vacant Site | 30 | 45 | 25 | 65 | 60 | 68 |
| Ostrich Farm - Tyco Site | 30 | 45 | 100 | 60 | 52 | 196 |

On December 15, 2020, staff shifted strategies to consider widening the scope of potential density increases, leaving the height restrictions in place, and modeling how a developer may utilize the State’s density bonus process to accommodate more housing units on more sites. In conjunction with development of the inclusionary housing ordinance and recommendations for streamlining the State density bonus process, PlaceWorks developed scenarios for the Vons site that modelled potential density and height increases. The analysis incorporated consideration of setbacks, height averaging, architectural elements, context sensitive height limits, Code definition of height measurement, and floor-to-floor heights.

The presentation demonstrated the feasibility of proposed development parameters within the context of architectural standards, which are now codified by the Inclusionary Housing Ordinance that was adopted on April 7, 2021 by Urgency Ordinance, and on May 5, 2021 by regular ordinance. Staff is proposing to increase densities in the Downtown and Neighborhood Centers from 30 du/acre in the next draft of the General Plan. For example, based on the models

staff has studied, staff is preliminarily proposing density increases from 30 du/acre on Mission Street to 40 du/acre; on Fair Oaks to 50 du/acre; in the Ostrich Farm to 50 du/acre; and in other mixed use districts to 45 du/acre. However, based on HCD's courtesy review comments and Planning Commissions feedback, staff may propose revising these density recommendations to accommodate more housing on key opportunity sites.

Staff is also proposing to add an Affordable Housing Overlay that would be applicable to medium and high density residential areas where appropriate, allowing maximum density of 30 du/acre from a current maximum of 24 du/acre. The overlay designation would be recommended for properties with access on arterial streets, and based on appropriate surrounding context. Historic properties would be excluded from the overlay.

Update on the 2021-2029 Housing Element

The Draft Housing Element is scheduled for release in June or July 2021 and will include a comprehensive set of proposed policies and programs. It will incorporate key housing production policies and a proposed inventory of suitable sites that have been preliminarily reviewed by HCD for compliance with its requirements to address the RHNA. Other draft housing element policies and programs will address the community's housing needs, such as fair housing policies, tenant protections, and housing support for low-income households.

HCD Review Package

The Department of Housing & Community Development offers a mid-process courtesy review to help cities in their Housing Element preparation. Planning staff requested such a review on March 25, 2021, sending HCD the working draft documents that have since been posted on the City's Housing Element webpage. These documents are works-in-progress, incorporating feedback from the community and Planning Commission over the last year as staff continues to evolve the potential strategies to meet the city's tremendous RHNA obligation. Staff received informal comments on May 18, 2021. With HCD's feedback, adjustments will be made to the draft inventory and to the draft programs to better align with HCD's expectations for the City to significantly increase its housing production capacity. Following the Planning Commission's discussion of HCD's comments at the study session, staff anticipates compiling and publishing a full draft of the Housing Element for the public's review in June or July.

The package of draft materials that staff sent to HCD on March 25, 2021 included a comprehensive table of sites with potential unit densities, detailed profiles of some of the larger, more significant potential sites and proposed programs to encourage housing construction consistent with the sites inventory (Attachment 1). The larger sites will be familiar to the Planning Commission, as they have been discussed in study sessions over the past year.

Following their review, staff met with HCD staff on May 18, 2021, to receive informal (verbal) comments on the draft strategy. HCD's feedback was constructive in communicating adjustments needed to meet the expectations they have for the City to significantly increase its housing production capacity. While HCD staff highlighted areas that needed more supporting documentation to support the City's assumptions, their response validated preliminary strategies

such as: rezoning through the General Plan/DTSP, encouraging ADUs, and creating an affordable housing overlay that would allow affordable housing at a higher minimum density as required by State law for the RHNA through a ministerial process. As well, they appreciated that the City Council had adopted an Inclusionary Housing Ordinance and updated the ADU Ordinance in the weeks since the City solicited HCD's courtesy review. The strategies were seen as part of a solid approach, and one that can ultimately lead to a certification, but HCD requested more supporting information to justify some of the assumptions and formulas, and rejected other assumptions. For example, in some cases, they felt the proposed parcels in the draft sites analysis may be acceptable with additional analysis lacking in the preliminary documents provided to them. In other cases, they suggested reconsideration or refinement of the formulas utilized. HCD considered the City's approach to ADU production to be too aggressive and indicated that, should the City continue to pursue an aggressive ADU strategy, the assumptions will need to be closer to the historic trends and/or need to demonstrate a rising trend and propose more ADU-supportive programs. Therefore, while the public draft will reduce the overall reliance on ADUs, it will still reflect the upward trend that the City is experiencing in popularity of these units. With that, there is room to increase assumptions on other parcels, and staff and PlaceWorks will be adjusting the details while maintaining the overall strategy to propose a revised inventory that will be more acceptable to HCD. HCD also shared some more innovative or preferred strategies, such as to include publicly owned sites for redevelopment with housing.

The following summarizes the portions of the draft document that were reviewed by HCD.

Inventory of Suitable Sites

The most critical part of the draft housing element sent for HCD's preliminary review is the Inventory of Suitable Sites. Once SCAG's draft RHNA was released, City staff and consultants (PlaceWorks) began to develop an inventory of sites as required by State law, with enough capacity to reasonably plan for development of 2,062 units (later amended to 2,067). HCD has certain requirements for including properties and estimating their potential yield of units. For instance, although projects with inclusionary housing units are eligible for a state density bonus, the inventory must be developed based only on the base density allowed in the City's General Plan and zoning. If the housing element ultimately relies on densities that are not yet included in adopted plans, these General Plan and zoning amendments must be included in the Housing Plan with associated target dates for adoption.

The GIS analysis PlaceWorks is developing includes a review of residential properties with sufficient density and properties that the draft General Plan/DTSP have identified for mixed-use. These included commercial corridors, primarily along Fair Oaks and Mission Street, and various large properties currently developed with low-scale commercial or industrial uses, such as the Ostrich Farm, Gold Line Storage, Mission near Meridian site, Huntington Center Ralphs site, and Fair Oaks Vons site. Other potential sites were also identified as the inventory was developed, avoiding properties where owners expressed that they would not be interested in redevelopment with housing. For these mixed-use sites, the analysis tested densities discussed in the draft General Plan discussions on which estimated numbers of units were based. PlaceWorks used HCD's criteria in making these calculations, excluding the potential for units that might

result from State Density Bonus projects. Hence, the proposed densities described earlier in this report are part and parcel of the plan to comply with RHNA in order to qualify for HCD certification.

Housing Programs to Comply with RHNA

A summary of relevant housing programs being developed that would work with the sites inventory to enable and facilitate more housing throughout the City was also included in the HCD review package. These programs include:

- Rezoning of lots consistent with General Plan housing element and land use element, following adoption of the General Plan update (in 2022);
- Supporting lot consolidation and expedited permit processing for desired affordable housing sites, including State legislation that may be supportive;
- Adopting/implementing an inclusionary housing ordinance (already adopted in 2021);
- Affordable Housing Production Program, either established as a City-administered program or through the San Gabriel Regional Housing Trust;
- ADU facilitation, with an objective of permitting 555 ADUs during the 2021-2029 planning period (this number will be reduced based on HCD's May 18 comments). A corresponding program would monitor the rate of ADU construction to confirm whether the pace is on track with City expectation and to gather data on the rent levels of these units in order to ascertain whether they qualify as lower-income units for purposes of RHNA compliance. The ADU program also includes a component that complies with State Senate Bill 13 to offer amnesty to illegal ADUs and allow them to be permitted provided they bring the unit up to building and safety Code standards. Additional incentives might be offered for ADU owners who commit to lower-income rent levels through a deed restriction;
- ADU promotion and homeowner outreach are also part of the plan to maximize ADUs as a means of providing more housing units. The City has already started this process with the recent ADU ordinance adoption, development of a brochure (in progress) and improved availability of materials on the Planning & Community Development website.
- Affordable Housing Overlay to increase density in applicable sites to 30 units/acre, as part of the General Plan update, which would be followed by creation of an affordable housing overlay zone in the Zoning Code.

Housing Initiatives: Inclusionary Housing and Accessory Dwelling Unit (ADU) Ordinances

Two housing priorities were identified as key initiatives to be adopted prior to the completion of the 2021-2029 Housing Element to support the development of housing in compliance with the City's RHNA obligation. These were an inclusionary housing ordinance that would require developers to build a portion of new housing projects to be deed-restricted for occupancy by extremely/very low, lower and moderate income households at affordable rent levels and revisions to the City's ADU ordinance.

- On February 23, 2021, the Planning Commission recommended adoption of an ordinance to replace the current ADU Code (SPMC Section 36.350.200) with regulations that clarify the process, provide additional standards and allow two-story ADUs, address

public safety concerns in the high-risk fire areas, and comply with state ADU laws. On May 5, 2021, the City Council amended the ADU ordinance as recommended by the Planning Commission with staff-recommended revisions for clarification.

- On March 9, 2021, the Planning Commission recommended that the Council adopt an inclusionary housing ordinance by urgency ordinance and through the standard legislative process requiring new multi-family residential development to include 20% of the base number of units in the project as affordable housing. On April 7, 2021, the City Council adopted this recommendation by urgency ordinance, following up with adoption of new SPMC Chapter 36.375 for permanent inclusion in the municipal code on May 5, 2021.

Revival of the Program Environmental Impact Report

With progress now made on resolving the direction of the General Plan, DTSP and Housing Element, staff and Psomas established a new timeline for completion of the PEIR with its wider scope including all three documents. A Recirculated Notice of Preparation (RNOP) was released on April 20, 2021, and published in the South Pasadena Review providing a review period from April 23- May 24, 2021. The RNOP was sent to the State Clearinghouse (SCH) to inform relevant State agencies. (Due to technical issues of the SCH website, it was posted on April 28th, which may result in a minor response delay by State agencies.) The City hosted a scoping meeting for the public to present the revised project description, which now includes the 2,067 housing units needed to comply with the RHNA requirements.

CEQA requires that a series of topics be analyzed in the PEIR. Of the required topics, the following are expected to be of most interest to the public and/or may have potential impacts:

- Air Quality
- Cultural Resources
- Greenhouse Gas Emissions
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Population and Housing
- Public Services
- Transportation
- Utilities and Service Systems
- Other: Growth-Inducing, Irreversible Changes

Psomas will review all suggestions received in response to the RNOP as they prepare the PEIR. It is anticipated that the PEIR will be released to the public for comments this summer, along with the draft Housing Element.

Planning Commission Discussion: Key Questions

Staff requests guidance from the Planning Commission on development of these Planning documents. The following questions are suggested to support the Commission's discussion:

1. Do Commissioners agree with the locations identified and proposed densities in the sites inventory for housing or mixed-use commercial/residential use?
2. Do Commissioners have additional suggestions for housing locations or strategies that have not been considered which would allow the city to meet the RHNA allocation? Are

Commissioners supportive of the proposed Overlay Zone strategy to assist with meeting the RHNA allocation?

3. Do Commissioners support the other assumptions for the General Plan in terms of commercial and office uses?
4. Do Commissioners have comments or suggestions in regard to the Housing Element programs that were presented to HCD for preliminary review?
5. Do Commissioners have suggestions for Psomas to focus on as they evaluate potential environmental impacts through the PEIR?

Next Steps

Program Environmental Impact Report

1. July 2021 - Release Draft PEIR for public review
2. September 2021 - Response to Comments
3. December 2021 - Certification of the PEIR

2021-2029 Housing Element

1. May 2021 - Review and integrate preliminary review comments provided by HCD
2. July 2021 - Release Draft Housing Element for public review
3. December 2021 - Adoption of the Housing Element

General Plan/Downtown Specific Plan Update

1. June 2021 - Integrate public comments provided on the 2019 GP/DTSP Draft
2. July 2021 - Integrate Housing Element policies and programs
3. July/August 2021 - Release revised draft GP/DTSP for public review

Legal Review

The City Attorney has reviewed this report.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Attachments:

1. [Housing Element HCD Review package](#)
2. Summary Notes from Planning Commission 2020 Study Sessions
3. [General Plan and Downtown Specific Plan Update website, including 2019 Draft](#)
4. [2021-2029 Housing Element Update website, including housing initiatives](#)
5. [PEIR website with RNOP](#)

ATTACHMENT 1

Housing Element HCD Courtesy Review Package

Sites Selection (3/25/21 Working Draft):

[https://www.southpasadenaca.gov/home/showpublisheddocument/
26138/63757113832260000](https://www.southpasadenaca.gov/home/showpublisheddocument/26138/63757113832260000)

Citywide Maps of Sites (3/25/21 Working Draft):

[https://www.southpasadenaca.gov/home/showpublisheddocument/
26140/637571138329330000](https://www.southpasadenaca.gov/home/showpublisheddocument/26140/637571138329330000)

Programs (3/25/21 Working Draft):

[https://www.southpasadenaca.gov/home/showpublisheddocument/
26142/637571138334330000](https://www.southpasadenaca.gov/home/showpublisheddocument/26142/637571138334330000)

ATTACHMENT 2

Summary Notes from 2020 Planning
Commission Study Sessions



South Pasadena General Plan and Downtown Specific Plan

Planning Commission Topics for Follow Up

1/16/20 – Overview of document organization and content

2/11/20 – Land use tables and permitted uses

3/10/20 – Development Standards, Part 1

Questions

- Do the standards for density/intensity, building placement, intensity, height, and encroachments reflect the intended character for the zone in which they are located?
- Do the building types fit with the intended character for the zone and are there any issues?
- Do the form-based standards for each building type and frontage characteristic reflect the intended character for the zone?

5/12/20 – Development Standards, Part 2 (Downtown Specific Plan)

Considerations

- Development standards in the Downtown area may need to be reconsidered to meet RHNA requirements during preparation of the 2021 – 2028 Housing Element. Public discussions about accommodating RHNA units will begin this month.
- Standards for floor height may be insufficient to meet objectives for the design of viable commercial uses and energy-efficient and sustainable buildings
- SB 330 requires that the maximum housing density on a parcel may not be reduced below that prescribed by the General Plan and zoning in place on 1.1.18 without increasing the density on other parcels to offset the loss of units on that parcel (Mission Street SP allows a maximum FAR of 1.5)

Conclusions

- Height standards may be inconsistent with current built patterns adjoining the Metro Gold Line station
- For your consideration, in general maximum heights may be need to be revised to:
 - Enable the City to accommodate housing consistent with RHNA targets
 - Enable the City to meet requirements for “no net loss of housing units” (SB 330) as projects are approved
 - Achieve objectives for sustainable building
- Corrections are required:
 - Revise maximum height for Mission Street building cross section diagram (page 98) from 40 feet to 45 feet
 - Eliminate vertical setbacks on building cross sections for both zones (pages 98 and 99) unless requirement added to development standards
- For your consideration specified height limits would allow City to achieve greater density
- Draft 2.5 FAR cannot be constructed within height limits; 2.0 FAR is more realistic

- Mission Street Zone Setbacks
 - New development conforming to the Plan’s standards would result in a consistent “building wall” along the Mission Street frontage, contributing to an enhanced pedestrian environment
 - For consideration: Draft standards a setback or landscape in these areas
- Fair Oaks Zone Setbacks
 - New development conforming to the Plan’s standards would result in a consistent “building wall” along the Fair Oaks frontage, contributing to an enhanced pedestrian environment
 - Existing surface lots would be replaced by infill buildings
 - For consideration: Draft standards do not require landscape in front setbacks

PC Comments - General

- Standards need to reflect and maintain the existing character of South Pasadena.
- Differentiate development standards to recognize the unique characteristics of Mission Streets and Fair Oaks Avenue.

PC Comments - Building Height

- No change at this time pending discussion of the need to accommodate additional units in the ongoing update of the Housing Element. The City Council liaison requests the Commission to make a recommendation for height for its consideration.
- Building height standards should acknowledge that the amount of infill development will be limited and, consequently, should recognize and reflect the prevailing scale and heights of existing buildings. “Keep the heights as low as feasible.”
- General support for adding a standard for the horizontal stepback of the upper floor of buildings.
- Should also consider requiring stepbacks of building abutting adjoining residential neighborhoods to avoid a “blank wall.”
- Diagrams depicting building heights for Mission Street should be revised for consistency with the standards.

PC Comments - Densities/Intensities

- Comments that the DTSP’s standards should be modified to be more realistic, reducing the maximum floor area ratio (FAR) from 2.5 to 1.8 - 2.0 and increasing the maximum housing density (units per acre) from 32 to 50 or more in consideration of analyses comparing standards for building height with intensities /densities that could be achieved.
[Both revisions are consistent with the Commission’s recent deliberations on proposed projects in the DTSP area and provide some additional housing capacity in meeting Housing Element Regional Housing Needs Assessment (RHNA) targets]
- Should not encourage a large number of small units.
[Note: Should standards be established for unit size and how would these affect the ability to achieve RHNA targets?]
- Comments that the Community Benefits are not sufficient as the basis for permitting increases in building heights above base standards. Some of these should be required, while others need to be strengthened and more specific (e.g., specify a percentage increase for affordable housing units allowing an increase in height).

PC Comments - Building Location on Sites (Setbacks, Build-To Lines)

- For Fair Oaks Avenue, standards should allow for variation and modulation of building frontages to avoid the sense of a continuous, undifferentiated “wall.” “Cut-outs” should be considered for landscape, outdoor dining, walkways, and other purposes.
[Note: A continuous building wall frontage on Mission Street is a characteristic of the area and visually appears to be modulated by smaller property widths with multiple businesses and entries]
- Comment supporting increased landscape along building frontages on Mission Street.
[Note: A continuous building wall frontage on Mission Street is a characteristic of the area and visually appears to be modulated by smaller property widths with multiple businesses and entries]

PC Comments - Building Typologies

- Though there was minimum discussion, there was general consensus that the building typology descriptions and design standards are appropriate.

6/9/20 – Parking

For Consideration

- *Revise the Parking Standards to incorporate those stipulated in the two previous **highlighted Actions**, or delete the Actions deleted for consistency.*
- *Revise A4.8e as follows: “Do not require new parking to be provided for adaptive reuse of existing buildings that are not part of a multi-tenant retail site or building.”*
- Existing parking standards reflect the auto-orientation and lack of transit proximity common to other commercial districts in the City and do not reflect visions for downtown as a distinct place where people would walk, bicycle, and use transit more frequently; park in shared structures and once to access multiple businesses.
- Reduced parking supports the use of alternative modes and contributes to the reduction of greenhouse gas emissions.
- Research indicates that more trips to active, pedestrian-oriented mixed-use community centers, such as envisioned for downtown South Pasadena, are being accommodated by ride-sharing services such as Uber and Lyft and, coupled with the future use of autonomous vehicles, are likely to lessen the need for parking spaces.
- Parking once in shared facilities contributes to a more active pedestrian environment along street frontages allowing for the continuity of buildings where curb cuts, drive-ways, and surface parking lots are minimized.
- Reduction or unbundling of required on-site parking can improve the affordability of multi-family housing and mixed-use development projects, where the typical construction cost for a parking space in a structure is \$28,000 to \$45,000 and more.
[Unbundled parking refers to the practice of selling or leasing of parking spaces separate from the purchase or lease of the residential or commercial use]

Questions to PC

- Q: Should the parking standards be modified further for uses developed in proximity to the Metro Gold Line station to take advantage of transit ridership, either by reducing the minimums or establishing maximums?

[Note that the latter is a common practice for transit-oriented development projects in many other cities]

- **A: General agreement that parking standards in proximity to the Gold Line transit station could be considered for further reductions based on findings of parking study.**
- Q: Should parking that is required for projects in proximity to the Metro Gold Line station be required to be located in shared structures?
 - **A: Incentives should be provided for code-required parking to be provided in shared parking structures in proximity to the transit station, but not required.**
- Q: Would establishing maximum parking standards in lieu of minimums be appropriate in other areas of downtown?
 - **A: Establishment of parking maximum limits in lieu of minimums should be considered.**
- Q: Are there additional criteria for which parking reductions would be permitted?
 - **A: Additional criteria for the reduction of parking requirements may include the development of passenger drop-off/pick-up areas, call stations, shuttles, flexible amenities, and/or implementation of other physical improvements.**
- Q: Should the parking standards for restaurants default to the existing Code's requirements for commercial districts or be revised to be reflect intentions to uniquely reflect visions for the downtown?

(Restaurants: 10 spaces/1K GSF for restaurants and 20 spaces/1K for both Code and MSSP; Fast Food: 20 spaces/1K GSF for Code and 12 spaces/1K GSF for MSSP)

 - **A: Parking standards for restaurants in the DTSP area should be less than other commercial areas in the City, based on consideration of successful models implemented by other communities in comparable pedestrian-active districts.**
- Q: Should the parking standards be amended directing that no new parking would be required when a new use occupies an existing space of any size (rather than 1,200 square feet or less) that is not part of a multi-tenant retail site or building to be consistent with *SP A4.8e* ?
 - **A: A4.8e Amend the code for restaurants—not part of multi-tenant retail site or building so that for new uses occupying an existing space of any size (rather than 1,200 square feet or less), no new parking is required.**
- Q: Should the parking standards be amended directing that the minimum parking requirements for research and development, offices and laboratories and for offices, administrative, corporate be reduced from 3 spaces per 1,000 square feet of gross floor area to 2.5 spaces per 1,000 square feet to be consistent with *SP A4.8d*?
 - **A: A4.8d Reduce the minimum parking requirements for research and development, offices and laboratories and for offices, administrative, corporate from 3 spaces per 1,000 square feet of gross floor area to 2.5 spaces per 1,000 square feet.**
- Q: Should the basis for determining parking requirements be a building's net square feet instead of the current gross square feet?
 - **A: Consensus supporting the revision of parking standards to be based on net square feet versus the current gross square feet of building area.**
- Q: Do you want to consider permitting removal of on-street parking to accommodate outdoor dining or parklets? Do you want to consider permitting removal of on-site parking to accommodate outdoor dining or open spaces amenities?

- **A: General support for the use of curbside and on-site parking areas for outdoor dining and other amenities with possible differentiation of standards for improvements on Mission Street and Fair Oaks Avenue and flexibility to adjust over time due to experience in implementation. Some concerns regarding compatibility with traffic flow and bicycle lanes.**

PC Comments - Parking Standards, General

- Parking standards need to consider assessment of existing parking in the City (budgeted for early next year); where parking is located, number of spaces, effectiveness in supporting existing needs, anticipated future needs, and best approaches to meet these needs.
- Appropriate for parking standards for DTSP area to vary from citywide standards to reflect intentions to enhance as a pedestrian-active district, with a transit-oriented sub-area.
- Learn from the experience of other cities; what are the standards, what has worked, and what has not?
- Allow flexibility for adjustments over time based on “real” experience in the downtown area.

7/14/20 – Landscape, Signage and other Standards

For consideration

- Current Practices for the Planning Commissioners’ Consideration:
 - Tree species are approved by Public Works; the list can vary over time.
 - New trees must be drought-tolerant.
 - Street trees required to be irrigated by pipe connections from adjoining property owner; drip irrigation required.
 - Tree spacing standard (#2): Needs to be flexible to allow for driveway access, utility boxes, and other public infrastructure.
 - Tree standard minimums should be flexible to allow for species diversity, as provided by the South Pasadena ordinances. A minimum of 24-inch boxes or similar would be recommended..
 - Parkway landscaping is the responsibility of adjoining landowners and must adhere to “Tree Ordinance” and “Water Efficient Landscaping” (Municipal Code)
 - Requirements specified by Zoning Code, Chapter 3.
 - Code requires permeable pavers in surface parking lots.
- The diagrams are described as “**options**” that were based on public input during the planning process. Recommend that these be relabeled as “**concepts** based on public input,” which need refinement and verification based on further traffic analyses.
- What do you think about existing signage in the downtown? Are there too many? Are there too few? What about their size, quality, and design?
- Are the types of permitted signs consistent with the intended character and quality of the Downtown area?
- Development standards for al fresco dining are currently being developed. It may be appropriate to review and revised these standards based on lessons learned through their implementation.

ATTACHMENT 3

General Plan and Downtown Specific Plan Update website,
including 2019 Draft:

<https://www.southpasadenaca.gov/government/departments/planning-and-building/general-plan-downtown-specific-plan-update>

ATTACHMENT 4

2021-2029 Housing Element Update website, including
housing initiatives:

<https://www.southpasadenaca.gov/government/departments/planning-and-building/housing-element-update-2021-2029>

ATTACHMENT 5

PEIR website with RNOP:

<https://www.southpasadenaca.gov/government/departments/planning-and-building/general-plan-downtown-specific-plan-update/program-environmental-impact-report>